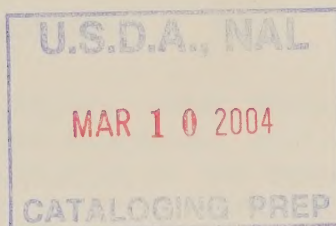


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DISTRIBUTION OF FEDERAL SURPLUS FOODS

TO

NEEDY FAMILIES

A Report Developed in the U. S. Department
of Agriculture Pursuant to Section 306 of
Public Law 480, 83rd Congress, as amended,
Transmitted to the President of the Senate
and the Speaker of the House of Representatives,
April 1960

Distribution of Federal Surplus Foods
to
Needy Families

Public Law 86-341, among other things, added Section 306 to Title III of Public Law 480, 83rd Congress. This new section provides permissive two-year authority to the Secretary of Agriculture to inaugurate a new method of distributing Federally owned and labelled surplus foods to needy families through the use of food stamps. 1/ Section 306 limits participation in this food stamp program to persons actually receiving welfare assistance and those in need of such assistance but ineligible to receive it under State or local law, and provides that the annual cost of the program shall not exceed \$250 million.

The Department has not utilized the permissive authority in Section 306 because it believes the new distribution method to be more complex and more costly than the method now used to reach needy families. This report has been developed in response to the following directive contained in subsection (g) of Section 306:

"The Secretary of Agriculture, in consultation with the Secretary of Health, Education, and Welfare and the Secretary of Labor, shall make a study of, and shall report to Congress within six months after the date of enactment of this section, on the feasibility of, the costs of, and the problems involved in, extending the scope of the food stamp plan established by this section to include persons receiving unemployment compensation, receiving old-age and survivors insurance (social security) pensions, and other low-income groups not eligible to receive food stamps under this section."

1/ Another type of food stamp program was in operation between 1939-43. That plan was concerned with increasing the food purchasing power of low-income families by providing them with stamps good for the purchase of food out of regular commercial supplies at prevailing retail prices in regular retail outlets. The 1939-43 program did attempt to concentrate additional purchases on items in plentiful supply by earmarking a portion of the stamps (blue-colored) for "surplus foods" which were officially designated each month by the Department of Agriculture. The Department has previously submitted to the Congress a detailed analysis of the probable impact and cost of this type of stamp plan under present-day conditions. It is entitled: An Analysis of Food Stamp Plans, January 3, 1957.

If the new food stamp distribution method authorized in Section 306 were to be placed into effect, it would appear desirable and feasible to extend its coverage to include all needy families, regardless of the source of their income, and such broadened coverage would not add significantly to Federal administrative costs over and above the substantial increase in costs that would occur in inaugurating such a program for welfare families.

In extending the program, representatives of the Department of Health, Education and Welfare and of Labor would not recommend that all beneficiaries of old-age, survivors, and disability insurance (13.8 million in January 1960) or unemployment compensation (2.3 million at the end of February 1960) be automatically eligible for such food assistance. They point out that these are insurance rather than welfare programs and participation does not necessarily indicate that the family is in need. It would be inadvisable to becloud and confuse the essential purpose of these two programs -- which is to provide benefits related to former earnings rather than financial need -- by introducing a welfare concept in their administration. Needy OASDI beneficiaries and in some urban areas needy UI beneficiaries and their families are eligible for public assistance, and could therefore receive surplus foods as recipients under the present provisions of Section 306. There are now about 700,000 aged persons who are receiving both old-age, survivors, and disability insurance benefits and old-age assistance payments.

HEW and Labor further reported that the social insurance programs are administered in a fashion that would not permit them to identify and certify which of these insurance beneficiaries were economically needy. Therefore, the State or local welfare departments or other appropriate agencies would need to assume responsibility for the investigation and certification of such families for food stamps. To carry out such investigation for all insurance beneficiaries would place a tremendous administrative burden upon these agencies.

Basically, all 3 agencies believe that eligibility to receive Federal surplus foods, whether under a stamp plan outlined in P.L. 86-341 or the present system, should be

based on need, as determined by welfare departments or other appropriate agencies, regardless of the source of the recipient's income. To extend the program beyond this point could result in substantial interference with normal trade channels.

The Department has not used the permissive Section 306 authority because it does not believe the possible advantages to be gained would warrant the increase in costs. The delivery system contemplated in Section 306 would be more convenient for recipient families, but States could inaugurate such a local delivery system under the present program if they felt it would be worth the additional cost. Participation would increase -- probably to complete national coverage -- because all States and localities would probably be willing to enter the program if they could shift the bulk of the program costs to the Federal government. But, it would be the shifting of the costs -- not the issuance of stamps -- that would be responsible for that increased participation.

All of the surplus foods that would be distributed under the stamp system are now being offered to States for distribution to needy families. All of the families which would be eligible under the proposed system are now eligible to receive surplus foods and they have been receiving them whenever and wherever State and local officials have concluded that feasible and practical arrangements can be made to certify applicant families and to effect delivery of the donated foods.

The following sections of this report, therefore, describe the current method of distributing Federal surplus foods to needy families; the scope of that program in recent years; and the type of distribution system now authorized in Section 306 of Public Law 480.

HOW THE CURRENT PROGRAM OPERATES

For more than 25 years, authority has been available to the Department of Agriculture to donate to needy families, surplus foods acquired under market stabilization programs. It was first provided in emergency farm and relief legislation of the early 1930's and subsequently in Section 32 of the Act of August 24, 1935 and related legislation. Section 416 of the Agricultural Act of 1949 provided specific authority to donate food commodities acquired under price support operations and subsequent legislation expanded and liberalized this donation authority. 1/

Section 306 of P.L. 480 does not expand or otherwise change the Department's authority to acquire food commodities for donation purposes. This continues to be based upon the need for Government purchases from the standpoint of price support or market stabilization. The food stamp provisions of Section 306 are concerned with the way in which Federal foods are to be delivered to needy families and the method of financing the delivery operations. As a basis of comparison, therefore, this section of the report describes the delivery system now in use.

Participation in the surplus food distribution program is at the election of States and the Department requires that some agency of the State government assume overall responsibility for intrastate operations. The Department does not require each State to establish the same type of delivery system, allowing considerable flexibility to a State in utilizing existing administrative organizations and food handling facilities of State and local governments in an effort to keep costs to a minimum. The State is required, however, to submit a plan of operation for Department approval and to enter into a contract with the Department under which the State accepts responsibility for the certification of applicant families and proper distribution of the donated foods and agrees to reimburse the Department for any commodities lost, spoiled or improperly distributed due to fault or negligence.

1/ Section 32 and related legislation and Section 416 also authorize donations to nonprofit school lunch programs and charitable institutions in this country and Section 416 provides for donations to U.S. private welfare agencies for the relief of needy people overseas.

State agencies place orders for available surplus commodities with the Department and the foods are shipped in carload lots to receiving points which have been selected by the State agency. The Department pays all handling, packaging, transportation and other costs involved in delivering the foods to these receiving points. At this point, the State takes over. It arranges for the acceptance of the shipments and for bulk deliveries to counties or cities participating in the family food distribution program.

At the local level, the responsible agency arranges for warehousing the food and for the operation of a distribution center or depot where families come to pick up their food. Typically, a depot covers a fairly wide geographic area and a family receives its allotment of food on a once-a-month basis. In some counties, outlying areas are serviced by "tailgate", where trucks take shipments of food to a community on a designated day and delivery is made to the families directly from the trucks. In some instances, generally in urban areas, families pick up their surplus foods at retail stores and one such system is described later in the report. (See p. 12.)

Families eligible to receive Federal surplus foods under Department regulations are those that have been certified as in economic need of food assistance by appropriate public welfare agencies. The Department has not established a uniform national standard of the level of family income which indicates economic need. It follows the accepted principle of welfare administration that such determinations should be made at the State and local levels, in the light of State and local conditions. Department regulations do not require that surplus food donations be limited to families actually receiving some type of welfare assistance. However, the eligibility standards used by a State are required to bear a relationship to the standards used in the State's own welfare program.

Certified families are given a means of identification which must be displayed when the monthly allotment of food is picked up at the distribution depot. Each depot maintains a record indicating the quantities of various foods each family is to receive, based upon the size of the family, and each family receipts for his allotment of surplus foods

by signing the record. In this manner, the quantities delivered to families can be reconciled with incoming shipments and inventories following the monthly distribution.

In summary, these State delivery systems are designed to operate with a minimum of out-of-pocket costs. They offer participating families only a minimum service; they utilize State, county and municipal warehouses, trucks and other facilities; local officials may perform many of the delivery functions without additional compensation and volunteer labor helps staff the local distribution depots in some communities. The proportion of the intrastate program costs which are financed by local funds vary from State to State. Typically, however, local governments are responsible for local costs and frequently they must finance the cost of transporting the food from State receiving or storage points to the local warehouse or distribution depot.

THE SCOPE OF THE PRESENT PROGRAM

At one time or another since 1954, 47 of the 50 States, the District of Columbia, and Puerto Rico have participated in the family food donation program. The extent of participation among the States has varied considerably -- from continuing participation on a Statewide or nearly Statewide basis -- to a single short-term emergency program. Some States entered the program to meet an emergency situation such as drought or to assist economically distressed communities; subsequently, operations were expanded to include public assistance recipients.

The peak geographic coverage in the family food program in recent years occurred in March 1959, when 1,214 of the country's some 3,000 counties were in the program. A special analysis of participation in that month showed that the program was operating in 72 of the 74 major areas classified as areas of substantial labor surplus by the Department of Labor and in 100 of the 193 smaller areas so classified. In addition, the program operates in a large number of distressed rural areas which are not considered in surplus labor area designations.

In January 1960, 42 States, the District of Columbia and Puerto Rico were participating in the family food donation program. In these States, a total of 4.8 million people in family units were certified as eligible to receive Federal surplus foods and 3.9 million were reported as actually receiving them. This level of participation is considerably lower than in January 1959 when 6.4 million people were eligible and 5.6 million received surplus foods. The generally improved employment conditions, together with the more limited variety of foods available for family distribution, account for the lowered level of participation this year.

Although the Commodity Credit Corporation held inventories valued at \$7.3 billion at the end of 1959, these holdings did not represent a wide variety of foods that could be made available for donation. For example, holdings of the following 7 commodities accounted for \$7.2 billion of the \$7.3 billion total: Wheat (\$2.9 billion), corn (\$2.2 billion), cotton (\$1.3 billion), grain sorghum, oats, rye and barley (\$0.8 billion). The Department is currently making flour, cornmeal, rice, and nonfat dry milk available for family distribution from CCC inventories. Lard and dried eggs, acquired under Section 32 surplus-removal programs, are also available. Inventories of surplus butter and cheese, which

once were large, are now sufficient only to meet the needs of the school lunch program which is accorded the first priority on any supplies offered for donation.

Table I shows the volume and value of surplus foods made available to needy families from 1956 through the first half of 1960. In the last fiscal year, 706.8 million pounds of surplus food, valued at \$107 million, were made available to needy families. This value represents the total Federal commodity cost, exclusive of administrative costs, involved in moving Federal surplus foods out of Government hands under the family food program. Of the \$107 million expenditure in 1959, less than 10 percent represented delivery costs -- warehouse, processing, repackaging, handling, and transportation.

Table I. Quantities and Value of Federal Surplus Foods Donated to Needy Families in the United States, Fiscal Years 1956-59 and 1st Half of Fiscal 1960 1/

Foods	1956		1957		1958		1959		First Half 1960	
	Quantity : Mil.lbs.	Value : Mil.Dol.	Quantity : Mil.lbs.	Value : Mil.Dol.	Quantity : Mil. lbs.	Value : Mil.Dol.	Quantity : Mil.lbs.	Value : Mil.Dol.	Quantity : Mil.lbs.	Value : Mil.Dol.
Beans, Dry	41.4	3.8	42.9	2.8	1.0	.1	--	--	--	--
Butter	34.4	22.3	12.5	7.4	12.9	8.0	54.0	33.1	1.0	.6
Cheese	43.1	19.0	71.6	29.1	68.9	27.5	51.1	18.6	--	--
Cornmeal <u>2/</u>	50.8	2.3	89.9	5.4	96.1	6.5	142.2	6.8	54.9	1.9
Egg Solids, dried	--	--	--	--	--	--	1.0	1.1	8.2	9.2
Flour <u>2/</u>	77.4	4.5	140.8	9.5	149.0	11.6	250.0	15.6	100.2	5.2
Lard	23.2	3.6	1.6	.3	--	--	--	--	3.8	.5
Milk, Nonfat Dry	49.2	9.1	82.7	16.1	87.3	15.8	127.7	22.4	52.2	8.7
Pork, Canned	31.4	19.8	<u>3/</u> .2	<u>3/</u> .1	--	--	--	--	--	--
Potatoes, Sweet	2.5	.1	--	--	--	--	--	--	--	--
Rice	23.5	2.9	47.6	7.2	56.3	6.4	80.8	9.4	32.8	3.9
Shortening <u>4/</u>	17.5	3.6	--	--	--	--	--	--	--	--
Total	394.4	91.0	489.8	77.9	471.5	75.9	706.8	107.0	253.1	30.0

- 1/ Value represents total cost to the Federal Government, including commodity cost, warehousing, transportation, processing, repackaging and miscellaneous handling charges.
- 2/ Includes minor quantities of whole grain in 1956 and 1957.
- 3/ Special hurricane disaster distribution in Puerto Rico.
- 4/ Includes 18,000 pounds of cottonseed oil.

THE FOOD STAMP DISTRIBUTION SYSTEM OF SECTION 306

Section 306 provides permissive authority to inaugurate a uniform nationwide method of distributing available Federal surplus foods to needy families; it is not intended to affect distribution to schools and institutions. Under the new method, all program costs now borne by State and local sources, except those associated with certification, would be shifted to the Federal government. It also would require the Department to make arrangements with political subdivisions of a State, if the State were unwilling to undertake any responsibility for the program.

The Department would enter into agreements with the welfare department or equivalent agency of a State or any of its political subdivisions. These agencies would certify applicant families under general standards established by the Department of Agriculture. The legislation restricts participation to persons actually receiving some type of welfare assistance or persons who need such assistance but are unable to receive it because they cannot meet State or local requirements on such matters as length of residence or employment status. This eligibility requirement is more restrictive than the one currently in use under the Department's current family donation program.

The second function of these welfare agencies would be to issue to certified families -- probably on a monthly basis -- an allotment of food stamps redeemable for Federal surplus foods at local distribution points. These food stamps would be printed and issued to the welfare agencies by the Department of Agriculture.

Under the provisions of Section 306, the Department could establish and operate its own local distribution depots or it could contract with retailers to handle the distribution. The law, itself, indicates a preference for the use of normal channels of trade. Moreover, the legislative history shows that it was the intent that Federal surplus foods would be generally available in most retail stores throughout the country so that participating families could pick up these foods at the neighborhood stores in which they customarily make their normal food purchases. 1/

1/ Report 907, House of Representatives, 86th Congress, 1st Session, p. 2.

To accomplish this, the Department would be required to develop a means by which Federally owned and labelled surplus foods could be shipped out of Government hands to the majority of the some 285,000 retail food outlets in this country. After the stores were initially stocked with a supply of Federal foods, they would re-order supplies from the Department by submitting the stamps accepted in exchange for Federal foods as evidence of the quantities actually delivered to eligible families. From a practical standpoint, it would probably be necessary to contract with independent wholesale food distributors to accomplish deliveries to unaffiliated retail stores, with the wholesale organizations of chains and other affiliated retailers acting as the ordering agents for those stores.

Participating wholesalers and retailers would enter into contracts with the Department under which they would be reimbursed for the services rendered and would accept responsibility for proper distribution of the Federal surplus foods. As a minimum, stores would be required to keep the Federal foods segregated from regular commercial supplies, accept financial responsibility for the value of Federal foods lost or improperly distributed due to fault or negligence, maintain accurate records of receipts and deliveries, and agree to Federal inspection and audit of pertinent operations and records. These responsibilities are similar to those now undertaken by State agencies administering the family donation program.

The Department believes this to be a more complicated and expensive method of accomplishing the domestic donation of surplus foods.

The use of stamps is designed solely to identify certified families and to indicate the quantities of food to which the participant is entitled. A system for the printing, distribution, issuance, control and accounting for a series of stamps (the legislation requires a stamp for each kind of food to be distributed) is a costly and complex matter, as experience with wartime food and gasoline rationing demonstrated.

Delivery expenses would be certain to increase under the stamp arrangement. Considerably greater convenience and more services would be available to the participating family and this would

push up costs. Also the economies of using existing State or municipal facilities and manpower, including volunteer labor, would be eliminated.

Federal administrative costs would be sharply increased due to the additional operating complexities. The task of making agreements with thousands of retail stores, educating wholesalers and retailers in program and recordkeeping requirements, and maintaining minimum supervision of their operations alone would require a very substantial increase in Federal personnel. In addition, more personnel would be needed to schedule food shipments to the wholesale outlets, to process payments to wholesalers and retailers, and to handle the issuance and redemption of the stamps.

During 1959, the total Federal administrative expenses incurred in the domestic donation of surplus foods was \$1,350,000. Allocating this cost among the school, institutional and family operations on the basis of the relative volume distributed to each group, approximately \$860,000 (63.5 percent) can be assigned to the administration of the family food program. Under a nationwide stamp system, with State sub-offices, it is believed that annual Federal administrative expenses would range between \$4 and \$5 million. This estimate is based upon the cost of administering the 1939-43 food stamp plan adjusted for increased salary scales and other costs since that period, together with the probable cost of carryout of additional functions under the Section 306 program such as scheduling food shipments and processing wholesaler and retailer payments.

Detroit, Michigan has been utilizing retail stores to deliver surplus foods to needy families and its experience can provide some clues to the additional delivery costs that would be incurred by the Federal government under Section 306. However, with a decline in the number of certified families, city officials recently have announced that they will abandon the retail store system, effective May 1. After that date, all families will be serviced by a city-operated distribution depot.

The Detroit system has been more limited than the one contemplated in Section 306. The Department of Agriculture has been shipping surplus foods directly to Detroit. A single wholesaler, who is under agreement with the city

welfare department, has been receiving these shipments. He stores and handles the foods and makes deliveries to participating stores. The stores also receive a set of cards indicating the names of the families to participate in each distribution and the quantities of food to which each family is entitled. Families who come to the store sign their card as evidence that they have received their allotment of food. All cards are picked up from the stores after each distribution.

Only a limited number of retail stores are used as delivery points. City officials have reported that the peak number of stores was 161 and, according to the May 1959 issue of Sales Management, there are almost 4,500 retail food stores in Detroit. In an effort to further simplify operations, each participating family is assigned to a single store and the store distributes surplus foods only one or two days a month. Each family is notified by mail of the day when they are to pick up their monthly allotment. In addition, the city maintains a distribution depot in a downtown building where some families picked up their food. This is the depot which will be in operation after May 1.

During the calendar year 1958, the last full calendar year for which distribution and cost data are available, the city paid the wholesaler a flat rate of \$2.25 per hundred pounds of food handled through September. Beginning in October 1958, the rate was \$1.90 per hundred pounds for all foods except flour and corn meal; the rate for these two items was \$1.00 per hundred pounds. During January-March 1958, retailers were paid a monthly fee of 10 cents for each family serviced; in April, the fee was raised to 15 cents per family. Detroit retailers, however, have reported that because of the unusual demands upon store personnel, even though distributions are made only on two days a month, the actual cost in handling these orders amounts to 32.5 cents per family.

In calendar 1958, the cost to the city of operating this limited type of retail-store system was \$392,448, about 12 percent of the value of the Federal foods distributed to Detroit needy families in that year.

Additional Federal delivery costs under the Section 306 stamp system would be substantially higher than in the limited type

in effect in Detroit. First, the provisions of Section 306 do not contemplate the simplifications and economies used in the Detroit system, i.e., limiting the number of participating stores and using a single wholesaler; assigning participants to a single store and a specific delivery day each month; and limiting the number of distribution days to one or two a month.

Second, the Federal government could not be expected to successfully contract with most retailers to undertake such program and financial responsibilities on a less-than-cost basis.

Third, in less-populated areas of the country or in areas having a relatively small number of eligible families, it can be assumed that the cost of servicing families would be relatively higher than in urban areas such as Detroit where as many as 250,000 persons have been certified to receive Federal foods in recent years.

Finally, no additional transportation costs were included in the 12 percent-figure because Detroit uses a single wholesaler to accept carlot deliveries from the Federal government. In actual practice, under the Section 306 stamp system, the Federal government would have to finance the cost of transporting available foods to local wholesalers instead of to a more limited number of carlot receiving points within the State.

It is not possible to make a precise estimate of additional delivery costs under the type of food stamp system authorized in Section 306. Nonetheless, it appears reasonable, based upon the Detroit experience, to anticipate that such costs could equal at least one-fourth to one-third of the value of the surplus foods made available to States. This would be in addition to the delivery costs now borne by the Federal government which were somewhat less than 10 percent of the value of the Federal foods distributed to needy families in 1959.

SECTION 11 OF PUBLIC LAW 86-341,
APPROVED SEPTEMBER 21, 1959

SEC. 11. Title III of such Act is amended by adding at the end thereof the following new section:

"SEC. 306. (a) In order to promote the general welfare, raise the levels of health and of nourishment for persons whose incomes prevent them from enjoying adequate diets, and dispose in a beneficial manner of food commodities acquired by the Commodity Credit Corporation or the Department of Agriculture in carrying out price support operations or diverted from the normal channels of trade and commerce under section 32 of the Act of August 24, 1935, as amended, the Secretary of Agriculture (in this section referred to as the 'Secretary') is hereby authorized to promulgate and put into operation a program to distribute to needy persons in the United States, including needy Indians, through a food stamp system such surplus food commodities. Such program shall provide for the distribution of such surplus food commodities only during the period beginning February 1, 1960, and ending January 31, 1962. The cost of such program, including the cost to the Federal Government of acquiring, storing, and handling such surplus food commodities, shall not exceed \$250,000,000 in any 12-month period beginning February 1 and ending January 31.

"(b) In carrying out such program, the Secretary shall --

"(1) distribute surplus food made available by the Secretary for distribution under this program only when requested to do so by a State or political subdivision thereof;

"(2) issue, or cause to be issued, pursuant to subsection (c), food stamps redeemable by eligible needy persons for such types and quantities of surplus food as the Secretary shall determine;

"(3) distribute surplus food in commercially packaged form, preferably through normal channels of trade;

"(4) establish standards under which, pursuant to subsection (c), the welfare authorities of any State or political subdivision thereof may participate in the food stamp plan for the distribution of surplus foods to the needy;

"(5) consult the Secretary of Health, Education, and Welfare, and the Secretary of Labor, in establishing standards for eligibility for surplus foods and in the conduct of the program generally to assure achievement of the goals outlined in subsection (a) of this section; and

"(6) make such other rules and regulations as he may deem necessary to carry out the purpose of this section.

"(c) The Secretary shall issue, to each welfare department or equivalent agency of a State or political subdivision requesting the distribution of surplus food under subsection (b)(1), food stamps for each kind of surplus food to be distributed, in amounts based on the total amount of surplus food to be distributed and on the total number of needy persons in the various States and political subdivisions eligible to receive such food. The food stamps shall be issued by each such welfare department or equivalent agency to needy persons receiving welfare assistance, or in need of welfare assistance but ineligible because of State or local law, and shall be redeemable by such needy persons at local distribution points to be determined by the Secretary under subsection (b)(3).

"(d) Receipt by any person of benefits under this section shall not be deemed to be income or resources under the provisions of the Social Security Act or any other Federal legislation pertaining to the security of the aged, blind, disabled, dependent children, unemployed, or other similar groups. Any State or local subdivision thereof which decreases the cash or other assistance extended to any person or group as a consequence of the assistance made available under this section shall be ineligible for further participation under this section.

"(e) Surplus foods to be distributed under this section shall be limited to surplus foods acquired under the Agricultural Act of 1949 or diverted from the normal channels of trade under Section 32 of Public Law 320, 74th Congress.

"(f) For the purposes of this section, a needy person is anyone receiving welfare assistance (financial or otherwise) from the welfare department or equivalent agency of any

State or political subdivision thereof, or who is, in the opinion of such agency or agencies, in need of welfare assistance but is ineligible to receive it because of State or local law.

"(g) The Secretary of Agriculture, in consultation with the Secretary of Health, Education, and Welfare and the Secretary of Labor, shall make a study of, and shall report to Congress within six months after the date of enactment of this section, on the feasibility of, the costs of, and the problems involved in, extending the scope of the food stamp plan established by this section to include persons receiving unemployment compensation, receiving old-age and survivors insurance (social security) pensions, and other low-income groups not eligible to receive food stamps under this section.

"(h) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this section."



State or political subdivision thereof, or who is, in the opinion of such agency or agencies, in need of welfare assistance but is ineligible to receive it because of State or local law.

"(2) The Secretary of Agriculture, in consultation with the Secretary of Health, Education, and Welfare and the Secretary of Labor, shall make a study of and shall report to Congress within six months after the date of enactment of this section, on the feasibility of, the costs of, and the programs involved in, extending the scope of the food stamps plan established by this section to include persons receiving unemployment compensation, persons aged and dependent persons (social security) persons, and other low income groups not eligible to receive food stamps under this section.

"(3) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this section."

SEC. 10. (a) The Secretary of Agriculture shall, in consultation with the Secretary of Health, Education, and Welfare and the Secretary of Labor, make a study of and shall report to Congress within six months after the date of enactment of this section, on the feasibility of, the costs of, and the programs involved in, extending the scope of the food stamps plan established by this section to include persons receiving unemployment compensation, persons aged and dependent persons (social security) persons, and other low income groups not eligible to receive food stamps under this section.

(b) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this section.